

# **State of Alaska FY2010 Governor's Operating Budget**

## **Department of Revenue Gas Authority Operations RDU/Component Budget Summary**

**RDU/Component: Gas Authority Operations***(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

To finance, design, construct, maintain and/or own all or part of a pipeline system to transport North Slope gas to market and maximize the benefits to Alaska and Alaskans.

**FY2010 Resources Allocated to Achieve Results****FY2010 Component Budget: \$312,100****Personnel:**

Full time	4
Part time	0
<b>Total</b>	<b>4</b>

**Key Component Challenges**

- On July 7, 2008, Governor Palin directed the Alaska Natural Gas Development Authority (ANGDA) to examine the possibility of a public/private partnership with ENSTAR and to extend the proposed in-state gas pipeline to Fairbanks. ANGDA currently proposes a natural gas pipeline project from Beluga to Fairbanks (B2F) to bring Cook Inlet natural gas to North Pole/Fairbanks, Alaska in order to provide short term energy relief for residents.
- ANGDA must combine the best of government and business to achieve the maximum benefit of in-state natural gas for Alaska and Alaskans in the face of significant market and project uncertainties and with the availability of only minimal resources.
- ANGDA must maintain flexibility in its work and plans because of:
  - Evolving contractual relationship of state and producer sponsor group;
  - Complexities and magnitude of firm financial commitments of Alaska utilities during an "open season;"
  - Project timing delays and compression distinct from RCA approval timelines;
  - Technological and logistical developments affecting North Slope energy delivery to rural Alaska.

**Significant Changes in Results to be Delivered in FY2010**

- Organize and lead utility and RCA through binding open season.
- Develop a comprehensive evaluation of the gas spur pipeline project management, cost, and schedule to allow for a "go" – "no go" decision.
- Complete Environmental Impact Statement process and obtain right-of-way permits for the Beluga to Fairbanks (B2F) pipeline.
- Refine Cook Inlet natural gas spur line alignment and logistical impact on state highways. Further advance the permitting issues; technical and field studies; facility designs and technical engineering for pipeline segments including Delta Junction to Glennallen, Glennallen to Palmer, and Palmer to Beluga Gas Fields. Determine and design potential terminal points at Yukon River, Tok, Glennallen, Point MacKenzie, and Matanuska-Susitna Borough.

- Continue In-State Propane Distribution Planning with ANGDA leading the technical planning and public awareness of energy potentials for all Alaska. Collaborate with private industry (native and non-native) for spurring their involvement in entrepreneurial opportunities and ownership of facilities and businesses related therein.

## Major Component Accomplishments in 2008

1. Alaska Natural Gas Development Authority completed the Wetlands Delineation from Beluga to North Pole. This is the basic requirement to the United States Army Corps of Engineers 404/10 application and basis for the Environmental Impact Statement process.
2. Initiated B2F Environmental Impact Statement process required prior to receiving permits and right of ways for the gas line.
3. ANGDA completed other work and reports in FY2008 aiding in the advancement of pipeline project for transporting natural gas to market:
  - Additional Spur Pipeline Field Studies;
  - Spur Line Coordination;
  - Enterprise Business Development and Financial Considerations;
  - Gas Supply Issues and Coordination;
  - Open Season Training Workshops;
  - Permitting Strategy & Coordination;
  - Evaluation of TAPS Co-Use Studies & Approach with TAPS Owners & Alyeska Pipeline Service Company;
  - Preparation of AGIA application addendum for in-state use of North Slope gas.
4. ANGDA contractual work underway as of FY2008 year-end includes:
  - Pipeline Engineering Studies;
  - Feasibility of Plastic Pipe;
  - Enterprise Business Development and Financial Considerations;
  - Gas Supply Issues and Coordination;
  - Permitting Strategy & Coordination;
  - Public outreach and cartography;
  - Propane Supply and Coordination;
  - Yukon-Kuskokwim Propane Demonstration Project.
5. During FY2008, ANGDA participated in Alaska Legislative Committee hearings and public comments related to gas pipeline jurisdiction, laws, regulations, and contracts.
6. ANGDA participated in leadership roles at local, state, national and international oil and gas industry seminars, conferences, symposiums, and forums related to the development of Alaska natural gas, and its in-state and export potential(s).

## Statutory and Regulatory Authority

AS 41.41 Alaska Natural Gas Development Authority

### Contact Information

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**Gas Authority Operations  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2008 Actuals</b>	<b>FY2009 Management Plan</b>	<b>FY2010 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	262.7	243.9	250.7
72000 Travel	16.7	10.0	10.0
73000 Services	414.8	47.4	47.4
74000 Commodities	16.4	4.0	4.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>710.6</b>	<b>305.3</b>	<b>312.1</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	681.3	305.3	312.1
1061 Capital Improvement Project Receipts	29.3	0.0	0.0
<b>Funding Totals</b>	<b>710.6</b>	<b>305.3</b>	<b>312.1</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2008 Actuals</b>	<b>FY2009 Management Plan</b>	<b>FY2010 Governor</b>
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Capital Improvement Project Receipts	51200	29.3	0.0	0.0
<b>Restricted Total</b>		<b>29.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>29.3</b>	<b>0.0</b>	<b>0.0</b>

**Summary of Component Budget Changes  
From FY2009 Management Plan to FY2010 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2009 Management Plan</b>	<b>305.3</b>	<b>0.0</b>	<b>0.0</b>	<b>305.3</b>
<b>Adjustments which will continue current level of service:</b>				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	6.8	0.0	0.0	6.8
<b>FY2010 Governor</b>	<b>312.1</b>	<b>0.0</b>	<b>0.0</b>	<b>312.1</b>

**Gas Authority Operations  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	4	4	Annual Salaries	259,651
Part-time	0	0	COLA	5,768
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	130,432
			Less 36.67% Vacancy Factor	(145,151)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>4</b>	<b>4</b>	<b>Total Personal Services</b>	<b>250,700</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Officer	1	0	0	0	1
Ceo AK Nat Gas Dev Auth	1	0	0	0	1
Publications Specialist	1	0	0	0	1
<b>Totals</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>